

IMPLICATIONS FOR IBM CANADA

Trend	Implication
Buying Trends	
User Becoming the Buyer	Emphasis on the Application
Complexity of Solution Growing	Emphasis on the Development Process
Pricing and Margins	
Competition is High	Pressure on Margins
Favorable Margin in the Value Add	Develop the Resource Internally
Competitive Posturing	
Application Knowledge Critical Long Term	Major Alliances May be Essential
Turnkey Market Weakening	May Want to Protect Key Vendors
Strategic Focus	
Current Growth is in Technology Based Projects	Not the Long Term Opportunity
Major SI Competitors Taking Vertical Focus	Further Exposure on Profitability

INPUT

